

October 10, 2005

Mr. Steven Tochko
Environmental Remediation
The Boeing Company
P.O. Box 3707, MC 6Y-94
Seattle, WA 98124-2207

**RE: Proposal for Regional Regulatory Strategy Support
Regarding Groundwater VOC Cleanup Levels**

Dear Mr. Tochko:

Through URS' ongoing work with Boeing, we have observed that the Washington State Department of Ecology (Ecology) is applying very conservative risk-based criteria in establishing cleanup levels for certain contaminants present in environmental media at Boeing facilities. The cleanup levels for tetrachloroethene (PCE), trichloroethylene (TCE), and vinyl chloride (VC) are controversial because these values are extremely low and will be difficult to achieve from a technology standpoint. In addition, the risk-based criteria used to calculate these values are provisional and are still being debated among the scientific communities in the state and nationally.

Application of these proposed cleanup levels could have potentially large cost impacts for remediation at the Renton and Everett sites, and would set a precedent for cleanup actions at other Boeing facilities as well as other industries throughout Washington. For instance under the Model Toxic Control Act's (MTCA) five-year review process, Ecology could require that cleanup levels established for the Renton and Everett facilities be applied to other Boeing sites where Cleanup Action Plans (CAPs) and Consent Decrees (CD) have already been negotiated and cleanup is underway.

We are aware and have been supporting the environmental managers at the Renton and Everett facilities who are actively challenging the application of these proposed cleanup levels, and we understand they are coordinating their efforts. Based upon our discussions with these environmental managers, URS sees an opportunity for Boeing to reduce its costs by utilizing a comprehensive, unified approach of negotiating cleanup levels for all potential Boeing facilities in the state. This approach would also force the elevation of the current discussions above the site-specific Ecology case managers to the policy, technical and management representatives at Ecology's headquarters who ultimately will be involved in the decision-making process.

Although we have begun to support the Boeing Everett facility in their initial discussions with Ecology, we are writing to offer our assistance to other Boeing facilities by utilizing a regional-based negotiation approach. We believe that URS can uniquely support Boeing at a regional level for the following reasons:

- URS is familiar with Boeing's facilities, site conditions, and the ongoing discussions between Ecology and the Renton and Everett facilities. We are aware that other Boeing sites in the region may also have similar issues. Having a single consultant such as URS assisting with these negotiations may serve to influence Ecology by demonstrating a single, unified Boeing approach and avoid the potential that negotiations at one site adversely affect another.
- We are closely following Ecology's positions for applying these conservative cleanup levels. Specifically, the use of the provisional cancer potency factors (CPF) for TCE and PCE to calculate MTCA Method B cleanup levels for groundwater. These provisional CPFs have and continue to be scrutinized nationally by the scientific community, are only provisional, and are currently under review by USEPA and/or the National Center for Environmental Assessment (NCEA). URS has specific knowledge regarding these CPFs and could support Boeing regionally in presenting relevant legal, regulatory, policy, scientific, and technical arguments to counter these proposed values and to propose alternative cleanup levels for these contaminants at Boeing's facilities.
- As a firm with knowledgeable regulatory specialists, risk assessors, and engineers, URS has the ability to support Boeing in negotiating cleanup levels drawing from all necessary disciplines. We have the ability to not only counter the proposed use of these values based upon their scientific uncertainty, engineering consequences or impracticability, and regulatory provisional basis, but also to calculate appropriate cleanup values supported by the MTCA regulations. Our risk assessment staff are knowledgeable and work closely with Ecology, USEPA Region 10, USEPA headquarters and the scientific community. These staff can speak with authority on the ramifications of various cleanup levels for human health and the environment, and can convey the approaches being used in other parts of the country. URS also brings to Boeing staff with both legal and regulatory training. This provides Boeing with our knowledge of precedent in the state and an understanding of Ecology's interpretation of its own regulations through our participation in the MTCA 2001 amendment rulemaking process. In addition, the legal training allows URS staff to support Boeing and its attorneys in presenting additional legal-type positions related to the Administrative Procedures Act (APA) and other non-traditional process related issues consistent with approaches we have posited for our other clients. Finally, when regulatory strategies are proposed, our staff utilizes the engineering and science staff to provide a reality-check. Resumes of our lead regulatory and risk assessment consultants are attached for your review.
- For the Boeing Everett facility, we have already developed a list of potential approaches that Boeing might consider (Memo from Michael Meyer to Nick Garson of July 5, 2005). As a kickoff to our regional support to you, we would propose discussing these options, identifying others which may apply to other Boeing sites, and then discussing these options in terms of cost, probability of success, and how these approaches would fit into an overall regulatory strategy for all Boeing sites impacted by these contaminants.

- As a corporation with a network of engineers, risk assessors, and regulatory staff, URS also offers Boeing a national perspective. Through our risk assessment and regulatory staff we frequently assemble and analyze national precedent related to cleanup levels and cleanup approaches for various chemicals. This approach has been very effective in negotiating acceptable alternative cleanup levels on behalf of our clients nationwide.
- We have and will continue to established excellent, cooperative working relationships with other consultants working at Boeing's facilities to develop the best solution for cleanup (i.e., our working relationships with Exponent and Landau at the Everett facility). We believe that we can effectively support Boeing in developing regionally-based cleanup levels and approaches for these specific chemicals in concert with other negotiation efforts supported by other Boeing consultants while respecting the unique abilities of each company to contribute expertise to the process.
- Finally, we have a record of successfully helping our clients to negotiate cleanup levels that are acceptable to all parties, including ConocoPhillips and General Electric.

URS would be pleased to perform this work under our existing contract with Boeing utilizing our recently negotiated rates. We look forward to further discussing this proposal with you and trust this proposed approach will bring value added to Boeing and lead to successful sun setting of your environmental liabilities.

Sincerely,

Roy Elliot, LG
Vice President

Karen Fabian, JD
Senior Regulatory Consultant

Cc: Mark Molinari, URS
Michael Meyer, URS

Attachments: Resumés